

**MINUTES OF THE
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES
APPROPRIATIONS SUBCOMMITTEE
WEDNESDAY, JANUARY 19, 2005, 3:30 P.M.
RoomW025, West Office Building, State Capitol Complex**

Members Present: Rep. D. Gregg Buxton, Committee Co-Chair
 Rep. Roger Barrus
 Rep. Ralph Becker
 Rep. DeMar "Bud" Bowman
 Rep. Stephen Clark
 Rep. Wayne A. Harper
 Rep. Fred R. Hunsaker
 Rep. Brent H. Goodfellow
 Rep. Michael T. Morley

Members Excused: Sen. Mike Dmitrich
 Sen. Peter Knudson
 Pres. John Valentine

Members Absent: Sen. Bill Hickman, Committee Co-Chair

Staff Present: Steve Allred, Fiscal Analyst
 Jonathan Ball, Technology Analyst
 Bonnie Brinton, Committee Secretary

Public Speakers Present: Executive Director Keith Stepan, DFCM
 Executive Director David Hart, Capitol Preservation Board
 Ms. Megan Hough, Governor's Office of Planning and Budget
 Executive Director Jeff Herring, Department of Human Resource
 Management

A list of visitors and a copy of handouts are filed with the committee minutes.

Co-Chair Buxton called the meeting to order at 3:36 p.m.

1. **Introductions** -- Subcommittee members and staff were introduced.
2. **Budget Overview** -- Fiscal Analyst Steve Allred presented a Powerpoint overview of Capital Budget Issues. He stated that the FY 2005 available revenue is \$237, 200,015 and the FY 2006 available revenue is \$324,717,189 as adopted by the Executive Appropriations Committee. He reviewed revenues considered "one-time sources" and "ongoing sources," and the Rainy Day Fund status.

Mr. Allred reported on the Capitol Building status and confirmed that SJR 5 passed. This resolution authorizes the Capitol Preservation Board and its executive director to executive contracts governing the entire Capitol building project.

Mr. Allred further discussed the debt service schedule, general obligation bonds and state-funded facility requests. He pointed out the differences in Governor Walker's and Governor Huntsman's budgets. Governor Huntsman has struck the following five projects from the Governor Walker budget: the DHS Developmental Center, the DNR Fire Management Building, the Courts Provo Land Purchase, the Richfield Regional Center, and the UBATC Vernal Building.

The PAYGo Option and No-Bond Option were presented for consideration by the Analyst.

Subcommittee members and analysts discussed the interest rates and costs.

Rep. Hunsaker asked what funds would be available for the Capital Facilities and Administrative Services Subcommittee's consideration. Co-Chair Buxton responded that the Subcommittee will have two or three approaches for determining what funds would be available and must remain flexible because no approach has been set. One philosophy is to recommend funding for no more than the bond reduction for the current fiscal year. The Fiscal Year 2005 sum is \$63,750,000 for facilities principal.

Co-Chair Buxton stated that the Governor is in favor of phase funding and the House leadership is not in favor of phase funding.

Executive Director Keith Stepan, Division of Facilities Construction and Management (DFCM), responded to questions from subcommittee members. He stated that the University of Utah Library was authorized to spend money for planning and design.

Rep. Morley reported that he had met with Executive Director David Hart of the Capitol Preservation Board and found that work on the Capitol is on schedule and on budget.

Co-Chair Buxton noted that \$32M in interest would be saved if bonding could be avoided. The accumulation of interest in the General Fund was discussed.

Mr. Hart responded to questions from Subcommittee members. He stated the Capitol budget and schedule are on target and gave a brief progress report.

Rep. Goodfellow congratulated Mr. Hart on getting the annex buildings finished and

prepared for the legislative session. Co-Chair Buxton added his appreciation for this accomplishment.

3. **Governor's Proposal to Move the Department of Human Resources Management (DHRM) to the Department of Administrative Services (DAS)** -- Ms. Megan Hough, Governor's Office of Planning and Budget, responded to questions from subcommittee members. She stated that the logic motivating this proposal is that DAS provides overall services to other State agencies, and it is reasonable that this human resources service be a part of this department.

Executive Director Jeff Herring, DHRM, explained the reasons for the Governor's proposal. He explained that the department is responsible for recruitment, training and development, retention, compensation, benefits and classification of employees.

Mr. Herring explained how employees are recruited and hired. He discussed the two different classes of employees, the at-will appointments and the career service system. There are twelve large agencies with in-house human resource personnel and the recruitment and operational portions of human resources have been delegated to those agencies. He said that it is not practical for all human resources personnel to be consolidated in one location.

An important issue is the management of accountability and liabilities, Mr. Herring further explained. He is not advocating centralization.

Ms. Hough clarified that this move would not result in a savings or an expense to the State. Funds now in DHRM would be transferred to DAS.

Rep. Harper said the move would require a statutory change, and that the Subcommittee would need to see the benefits of the change before voting on it. Savings in operations and management may not be fiscal, but could be beneficial.

The meeting was adjourned at 4:33 p.m. by Co-Chair Buxton

The minutes were reported by Bonnie Brinton.